

FIRST REGULAR SESSION
HOUSE COMMITTEE SUBSTITUTE FOR
HOUSE BILL NO. 313
95TH GENERAL ASSEMBLY

1177L.04C

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To repeal sections 99.1090, 100.710, 100.720, 100.750, 100.760, 100.770, 135.155, 135.680, 620.495, 620.1039, 620.1878, and 620.1881, RSMo, and to enact in lieu thereof nineteen new sections relating to job development, with an emergency clause for certain sections.

Be it enacted by the General Assembly of the state of Missouri, as follows:

Section A. Sections 99.1090, 100.710, 100.720, 100.750, 100.760, 100.770, 135.155, 135.680, 620.495, 620.1039, 620.1878, and 620.1881, RSMo, are repealed and nineteen new sections enacted in lieu thereof, to be known as sections 99.1090, 100.710, 100.720, 100.750, 100.760, 100.770, 135.155, 135.552, 135.680, 144.058, 208.205, 348.273, 348.274, 620.495, 620.1039, 620.1878, 620.1881, 620.1892, and 620.1893, to read as follows:

99.1090. 1. A municipality shall submit an application to the department of economic development for review and determination as to approval of the disbursement of the project costs of one or more redevelopment projects from the downtown revitalization preservation fund. The department of economic development shall forward the application to the commissioner of the office of administration for approval. In no event shall any approval authorize a disbursement of one or more redevelopment projects from the downtown revitalization preservation fund which exceeds the allowable amount of other net new revenues derived from the redevelopment area. An application submitted to the department of economic development shall contain the following, in addition to the items set forth in section 99.1086:

(1) An estimate that one hundred percent of the local sales tax increment deposited to the special allocation fund must and will be used to pay redevelopment project costs or obligations issued to finance redevelopment project costs to achieve the objectives of the redevelopment plan. **Contributions to the development project from any private not-for-profit organization or local contributions from tax abatement or other sources may**

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

15 **be substituted on a dollar-for-dollar basis for the local match of one hundred percent of**
16 **payments in lieu of taxes and economic activity taxes from the fund;**

17 (2) Identification of the existing businesses located within the redevelopment project
18 area and the redevelopment area;

19 (3) The aggregate baseline year amount of state sales tax revenues reported by existing
20 businesses within the redevelopment project area. Provisions of section 32.057, RSMo,
21 notwithstanding, municipalities will provide this information to the department of revenue for
22 verification. The department of revenue will verify the information provided by the
23 municipalities within forty-five days of receiving a request for such verification from a
24 municipality;

25 (4) An estimate of the state sales tax increment within the redevelopment project area
26 after redevelopment. The department of economic development shall have the discretion to
27 exempt smaller projects from this requirement;

28 (5) An affidavit that is signed by the developer or developers attesting that the provision
29 of subdivision (2) of subsection 2 of section 99.1086 has been met;

30 (6) The amounts and types of other net new revenues sought by the applicant to be
31 disbursed from the downtown revitalization preservation fund over the term of the
32 redevelopment plan;

33 (7) The methodologies and underlying assumptions used in determining the estimate of
34 the state sales tax increment; and

35 (8) Any other information reasonably requested by the department of economic
36 development.

37 2. The department of economic development shall make all reasonable efforts to process
38 applications within a reasonable amount of time.

39 3. The department of economic development shall make a determination regarding the
40 application for a certificate allowing disbursements from the downtown revitalization
41 preservation fund and shall forward such determination to the commissioner of the office of
42 administration. In no event shall the amount of disbursements from the downtown revitalization
43 preservation fund approved for a project, in addition to any other state economic redevelopment
44 funding or other state incentives, exceed the projected state benefit of the redevelopment project,
45 as determined by the department of economic development through a cost-benefit analysis. Any
46 political subdivision located either wholly or partially within the redevelopment area shall be
47 permitted to submit information to the department of economic development for consideration
48 in its cost-benefit analysis. Upon approval of downtown revitalization preservation financing,
49 a certificate of approval shall be issued by the department of economic development containing
50 the terms and limitations of the disbursement.

51 4. At no time shall the annual amount of other net new revenues approved for
52 disbursements from the downtown revitalization preservation fund exceed fifteen million dollars.

53 5. Redevelopment projects receiving disbursements from the downtown revitalization
54 preservation fund shall be limited to receiving such disbursements for twenty-five years. The
55 approved term notwithstanding, downtown revitalization preservation financing shall terminate
56 when redevelopment financing for a redevelopment project is terminated by a municipality.

57 6. The municipality shall deposit payments received from the downtown revitalization
58 preservation redevelopment fund in a separate segregated account for other net new revenues
59 within the special allocation fund.

60 7. Redevelopment project costs may include, at the prerogative of the state, the portion
61 of salaries and expenses of the department of economic development and the department of
62 revenue reasonably allocable to each redevelopment project approved for disbursements from
63 the downtown revitalization preservation fund for the ongoing administrative functions
64 associated with such redevelopment project. Such amounts shall be recovered from new state
65 revenues deposited into the downtown revitalization preservation fund created under section
66 99.1092.

67 8. A redevelopment project approved for downtown revitalization preservation financing
68 shall not thereafter elect to receive tax increment financing under the real property tax increment
69 allocation redevelopment act, sections 99.800 to 99.865, and continue to receive downtown
70 revitalization financing under sections 99.1080 to 99.1092.

71 9. The department of economic development may establish the procedures and standards
72 for the determination and approval of applications by the promulgation of rules and publish
73 forms to implement the provisions of this section and section 99.1092.

74 10. Any rule or portion of a rule, as that term is defined in section 536.010, RSMo, that
75 is created under the authority delegated in this section and section 99.1092 shall become
76 effective only if it complies with and is subject to all of the provisions of chapter 536, RSMo,
77 and, if applicable, section 536.028, RSMo. This section, section 99.1092, and chapter 536,
78 RSMo, are nonseverable and if any of the powers vested with the general assembly under chapter
79 536, RSMo, to review, to delay the effective date, or to disapprove and annul a rule are
80 subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed
81 or adopted after August 28, 2005, shall be invalid and void.

100.710. As used in sections 100.700 to 100.850, the following terms mean:

2 (1) "Assessment", an amount of up to five percent of the gross wages paid in one year
3 by an eligible industry to all eligible employees in new jobs, or up to ten percent if the economic
4 development project is located within a distressed community as defined in section 135.530,
5 RSMo;

6 (2) "Board", the Missouri development finance board as created by section 100.265;

7 (3) "Certificates", the revenue bonds or notes authorized to be issued by the board
8 pursuant to section 100.840;

9 (4) "Credit", the amount agreed to between the board and an eligible industry, but not
10 to exceed the assessment attributable to the eligible industry's project;

11 (5) "Department", the Missouri department of economic development;

12 (6) "Director", the director of the department of economic development;

13 (7) "Economic development project":

14 (a) The acquisition of any real property by the board, the eligible industry, or its affiliate;

15 or

16 (b) The fee ownership of real property by the eligible industry or its affiliate; and

17 (c) For both paragraphs (a) and (b) of this subdivision, "economic development project"
18 shall also include the development of the real property including construction, installation, or
19 equipping of a project, including fixtures and equipment, and facilities necessary or desirable for
20 improvement of the real property, including surveys; site tests and inspections; subsurface site
21 work; excavation; removal of structures, roadways, cemeteries and other surface obstructions;
22 filling, grading and provision of drainage, storm water retention, installation of utilities such as
23 water, sewer, sewage treatment, gas, electricity, communications and similar facilities; off-site
24 construction of utility extensions to the boundaries of the real property; and the acquisition,
25 installation, or equipping of facilities on the real property, for use and occupancy by the eligible
26 industry or its affiliates;

27 (8) "Eligible employee", a person employed on a full-time basis in a new job at the
28 economic development project averaging at least thirty-five hours per week who was not
29 employed by the eligible industry or a related taxpayer in this state at any time during the
30 twelve-month period immediately prior to being employed at the economic development project.
31 For an essential industry, a person employed on a full-time basis in an existing job at the
32 economic development project averaging at least thirty-five hours per week may be considered
33 an eligible employee for the purposes of the program authorized by sections 100.700 to 100.850;

34 (9) "Eligible industry", a business located within the state of Missouri which is engaged
35 in interstate or intrastate commerce for the purpose of manufacturing, processing or assembling
36 products, conducting research and development, or providing services in interstate commerce,
37 office industries, or agricultural processing, but excluding retail, health or professional services.
38 "Eligible industry" does not include a business which closes or substantially reduces its operation
39 at one location in the state and relocates substantially the same operation to another location in
40 the state. This does not prohibit a business from expanding its operations at another location in
41 the state provided that existing operations of a similar nature located within the state are not

42 closed or substantially reduced. This also does not prohibit a business from moving its
43 operations from one location in the state to another location in the state for the purpose of
44 expanding such operation provided that the board determines that such expansion cannot
45 reasonably be accommodated within the municipality in which such business is located, or in the
46 case of a business located in an incorporated area of the county, within the county in which such
47 business is located, after conferring with the chief elected official of such municipality or county
48 and taking into consideration any evidence offered by such municipality or county regarding the
49 ability to accommodate such expansion within such municipality or county. An eligible industry
50 must:

51 (a) Invest a minimum of fifteen million dollars, or ten million dollars for an office
52 industry, in an economic development project; and

53 (b) Create a minimum of one hundred new jobs for eligible employees at the economic
54 development project or a minimum of [five] **three** hundred **fifty** jobs if the economic
55 development project is an office industry or a minimum of two hundred new jobs if the economic
56 development project is an office industry located within a distressed community as defined in
57 section 135.530, RSMo, or in the case of an approved company for a project for a world
58 headquarters of a business whose primary function is tax return preparation in any home rule city
59 with more than four hundred thousand inhabitants and located in more than one county, create
60 a minimum of one hundred new jobs for eligible employees at the economic development
61 project. An industry that meets the definition of "essential industry" may be considered an
62 eligible industry for the purposes of the program authorized by sections 100.700 to 100.850.
63 Notwithstanding the preceding provisions of this subdivision, a development agency, as such
64 term is defined in subdivision (3) of section 100.255, or a corporation, limited liability company,
65 or partnership formed on behalf of a development agency, at the option of the board, may be
66 authorized to act as an eligible industry with such obligations and rights otherwise applicable to
67 an eligible industry, including the rights of an approved company under section 100.850, so long
68 as the eligible industry otherwise meets the requirements imposed by this subsection;

69 (10) "Essential industry", a business that otherwise meets the definition of eligible
70 industry except an essential industry shall:

71 (a) Be a targeted industry;

72 (b) Be located in a home rule city with more than twenty-six thousand but less than
73 twenty-seven thousand inhabitants located in any county with a charter form of government and
74 with more than one million inhabitants or in a city of the fourth classification with more than
75 four thousand three hundred but fewer than four thousand four hundred inhabitants and located
76 in any county with a charter form of government and with more than one million inhabitants;

77 (c) Have maintained at least two thousand jobs at the proposed economic development
78 project site each year for a period of four years preceding the year in which application for the
79 program authorized by sections 100.700 to 100.850 is made and during the year in which said
80 application is made;

81 (d) Retain, at the proposed economic development project site, the level of employment
82 that existed at the site in the taxable year immediately preceding the year in which application
83 for the program, authorized by sections 100.700 to 100.850, is made. Retention of such level
84 of employment shall commence three years from the date of issuance of the certificates and
85 continue for the duration of the certificates; and

86 (e) Invest a minimum of five hundred million dollars in the economic development
87 project by the end of the third year after the issuance of the certificates under this program;

88 (11) "New job", a job in a new or expanding eligible industry not including jobs of
89 recalled workers, replacement jobs or jobs that formerly existed in the eligible industry in the
90 state. For an essential industry, an existing job may be considered a new job for the purposes of
91 the program authorized by sections 100.700 to 100.850;

92 (12) "Office industry", a regional, national or international headquarters, a
93 telecommunications operation, a computer operation, an insurance company, or a credit card
94 billing and processing center;

95 (13) "Program costs", all necessary and incidental costs of providing program services
96 including payment of the principal of premium, if any, and interest on certificates, including
97 capitalized interest, issued to finance a project, and funding and maintenance of a debt service
98 reserve fund to secure such certificates. Program costs shall include:

99 (a) Obligations incurred for labor and obligations incurred to contractors, subcontractors,
100 builders and materialmen in connection with the acquisition, construction, installation or
101 equipping of an economic development project;

102 (b) The cost of acquiring land or rights in land and any cost incidental thereto, including
103 recording fees;

104 (c) The cost of contract bonds and of insurance of all kinds that may be required or
105 necessary during the course of acquisition, construction, installation or equipping of an economic
106 development project which is not paid by the contractor or contractors or otherwise provided for;

107 (d) All costs of architectural and engineering services, including test borings, surveys,
108 estimates, plans and specifications, preliminary investigations and supervision of construction,
109 as well as the costs for the performance of all the duties required by or consequent upon the
110 acquisition, construction, installation or equipping of an economic development project;

111 (e) All costs which are required to be paid under the terms of any contract or contracts
112 for the acquisition, construction, installation or equipping of an economic development project;
113 and

114 (f) All other costs of a nature comparable to those described in this subdivision;

115 (14) "Program services", administrative expenses of the board, including contracted
116 professional services, and the cost of issuance of certificates;

117 (15) "Targeted industry", an industry or one of a cluster of industries that is identified
118 by the department as critical to the state's economic security and growth and affirmed as such by
119 the joint committee on economic development policy and planning established in section
120 620.602, RSMo.

100.720. 1. The Missouri development finance board shall have, in addition to the
2 powers provided to it in sections 100.250 to 100.297, and with the approval of the department,
3 all the powers necessary to carry out and effectuate the purposes and provisions of sections
4 100.700 to 100.850, including, but not limited to, the power to:

5 (1) Provide and finance economic development projects, pursuant to the provisions of
6 sections 100.700 to 100.850, and cooperate with eligible industries in order to promote, foster
7 and support economic development within the state;

8 (2) Conduct hearings and inquiries, in the manner and by the methods as it deems
9 desirable, for the purpose of gathering information with respect to eligible industries and
10 economic development projects, and for the purpose of making any determinations necessary or
11 desirable in the furtherance of sections 100.700 to 100.850; [and]

12 (3) Negotiate the terms of, including the amount of project costs, and enter into financing
13 agreements with eligible industries, and in connection therewith to acquire, convey, sell,
14 mortgage, finance or otherwise dispose of any property, real or personal, loan bond proceeds, and
15 permit the use of assessments, in connection with an economic development project, and to pay,
16 or cause to be paid, in accordance with the provisions of a financing agreement, the program
17 costs of an economic development project from any funds available therefor; **and**

18 **(4) In the event that market or economic conditions are such that the eligible**
19 **industry is unable to perform the requirements of sections 100.700 to 100.850, temporarily**
20 **suspend or waive such requirements until market or economic conditions improve, so long**
21 **as the eligible industry has not caused such adverse conditions.**

22 2. Certificates issued by the board pursuant to the provisions of sections 100.700 to
23 100.850 shall not constitute an indebtedness or liability of the state of Missouri within the
24 meaning of any state constitutional provision or statutory limitation, shall not constitute a pledge
25 of the faith and credit of the state of Missouri, shall not be guaranteed by the credit of the state,

26 and unless approved by a concurrent resolution of the general assembly, no certificate in default
27 shall be paid by the state of Missouri.

100.750. The financing agreement shall provide in substance that:

- 2 (1) It may be assigned by the eligible industry only upon the prior written consent of the
3 board following the adoption of a resolution by the board to such effect; and
- 4 (2) Upon default by the eligible industry in any obligations under the financing
5 agreement or other documents evidencing, securing or related to the eligible industry's
6 obligations, the board shall have the right, at its option, to:
 - 7 (a) Declare the financing agreement or other such documents in default;
 - 8 (b) Accelerate and declare the total of all such payments due by the eligible industry and
9 sell the economic development project at public, private, or judicial sale;
 - 10 (c) Pursue any remedy provided under the financing agreement or other such documents;
 - 11 (d) Be entitled to the appointment of a receiver by the circuit court wherein any part of
12 the economic development project is located; [and]
 - 13 (e) **If adverse market or economic conditions develop during the financing period,**
14 **temporarily suspend or waive any of the requirements of sections 100.700 to 100.850 until**
15 **market or economic conditions improve, so long as the eligible industry has not caused**
16 **such adverse conditions; and**
 - 17 (f) Pursue any other applicable legal remedy.

100.760. After receipt of an application, the board may, with the approval of the
2 department, enter into an agreement with an eligible industry for a credit pursuant to sections
3 100.700 to 100.850 if the board determines that all of the following conditions exist:

- 4 (1) The applicant's project will create new jobs that were not jobs previously performed
5 by employees of the applicant in Missouri;
- 6 (2) The applicant's project is economically sound and will benefit the people of Missouri
7 by increasing opportunities for employment and strengthening the economy of Missouri;
- 8 (3) Significant local incentives with respect to the project or eligible industry have been
9 committed, which incentives may consist of:
 - 10 (a) Cash or in-kind incentives derived from any nonstate source, including incentives
11 provided by the affected political subdivisions, private industry and/or local chambers of
12 commerce or similar such organizations; and/or
 - 13 (b) Relief from local taxes, in either case as acceptable to the board;
- 14 (4) Receiving the credit is a major factor in the applicant's decision to go forward with
15 the project and not receiving the credit will result in the applicant not creating new jobs in
16 Missouri; **and**
- 17 (5) Awarding the credit will result in an overall positive fiscal impact to the state[;

18 (6) There is at least one other state that the applicant verifies is being considered for the
19 project; and

20 (7) A significant disparity is identified, using best available data in the projected costs
21 for the applicant's project compared to the costs in the competing state, including the impact of
22 the competing state's incentive programs. The competing state's incentive program shall include
23 state, local, private and federal funds].

100.770. In determining the credit that should be awarded, the board shall take into
2 consideration the following factors:

3 (1) The economy of the county where the projected investment is to occur;

4 (2) The potential impact on the economy of Missouri;

5 (3) The payroll attributable to the project;

6 (4) The capital investment attributable to the project;

7 (5) The amount the average wage paid by the applicant exceeds the average wage paid
8 within the county in which the project will be located;

9 (6) The costs to Missouri and the affected political subdivisions with respect to the
10 project; **and**

11 (7) The financial assistance that is otherwise provided by Missouri and the affected
12 political subdivisions[; and

13 (8) The magnitude of the cost differential between Missouri and the competing state].

135.155. **1.** Notwithstanding any provision of the law to the contrary, no
2 revenue-producing enterprise **other than headquarters as defined in subsection 10 of section**
3 **135.110** shall receive the incentives set forth in sections 135.100 to 135.150 for facilities
4 commencing operations on or after January 1, 2005. **No headquarters shall receive the**
5 **incentives set forth in subsections 9 to 14 of section 135.110 for facilities commencing or**
6 **expanding operations on or after January 1, 2020.**

7 **2.** Notwithstanding subsection 9 of section 135.110 to the contrary, expansions at
8 **headquarters facilities shall each be considered a separate new business facility and each**
9 **be entitled to the credits as set forth in subsections 9 to 14 of section 135.110 if the number**
10 **of new business facility employees attributed to each such expansion is at least twenty-five**
11 **and the amount of new business facility investment attributed to each such expansion is at**
12 **least one million dollars. In any year in which a new business facility is not created, the**
13 **jobs and investment for that year shall be included in calculating the credits for the most**
14 **recent new business facility and not an earlier created new business facility.**

15 **3.** Notwithstanding any provision of law to the contrary, for headquarters,
16 **buildings on multiple noncontiguous real properties shall be considered one facility if the**
17 **buildings are located within the same county or within the same municipality.**

135.552. 1. As used in this section, the following terms mean:

2 **(1) "Qualifying motor vehicle", any new self-propelled vehicle not operated**
3 **exclusively upon tracks, except farm tractors, that is assembled and sold in this state on or**
4 **after January 1, 2010;**

5 **(2) "Tax credit", a credit against the tax otherwise due under chapter 143, RSMo,**
6 **excluding withholding tax imposed by sections 143.191 to 143.265, RSMo, or otherwise due**
7 **under chapter 147, 148, or 153, RSMo;**

8 **(3) "Taxpayer", any individual or entity subject to the tax imposed in chapter 143,**
9 **RSMo, excluding withholding tax imposed by sections 143.191 to 143.265, RSMo, or the**
10 **tax imposed in chapter 147, 148, or 153, RSMo.**

11 **2. For all taxable years beginning on or after January 1, 2010, a taxpayer shall be**
12 **allowed a tax credit for the purchase of a qualifying motor vehicle. The tax credit amount**
13 **shall be equal to the amount of state sales tax paid on such qualifying motor vehicle. If the**
14 **amount of the tax credit issued exceeds the amount of the taxpayer's state tax liability for**
15 **the tax year for which the credit is claimed, the difference shall be refundable. No tax**
16 **credit granted under this section shall be transferred, sold, or assigned.**

17 **3. This section shall not be construed to prohibit the levy of any local sales tax, as**
18 **defined in section 32.085, RSMo, on any sales of new motor vehicles assembled and sold**
19 **in the state on or after January 1, 2010. In the event that any political subdivision has**
20 **enacted a local sales tax on such sales, the political subdivision may, by order or ordinance,**
21 **exempt such sales from the local sales tax law.**

22 **4. The department of revenue may promulgate rules to implement the provisions**
23 **of this section. Any rule or portion of a rule, as that term is defined in section 536.010,**
24 **RSMo, that is created under the authority delegated in this section shall become effective**
25 **only if it complies with and is subject to all of the provisions of chapter 536, RSMo, and,**
26 **if applicable, section 536.028, RSMo. This section and chapter 536, RSMo, are**
27 **nonseverable and if any of the powers vested with the general assembly pursuant to**
28 **chapter 536, RSMo, to review, to delay the effective date, or to disapprove and annul a rule**
29 **are subsequently held unconstitutional, then the grant of rulemaking authority and any**
30 **rule proposed or adopted after August 28, 2009, shall be invalid and void.**

31 **5. Under section 23.253, RSMo, of the Missouri Sunset Act:**

32 **(1) The provisions of the new program authorized under this section shall**
33 **automatically sunset on December thirty-first six years after the effective date of this**
34 **section unless reauthorized by an act of the general assembly; and**

35 **(2) If such program is reauthorized, the program authorized under this section**
36 **shall automatically sunset on December thirty-first twelve years after the effective date of**
37 **the reauthorization of this section; and**

38 **(3) This section shall terminate on September first of the calendar year immediately**
39 **following the calendar year in which the program authorized under this section is sunset.**

135.680. 1. As used in this section, the following terms shall mean:

2 (1) "Adjusted purchase price", the product of:

3 (a) The amount paid to the issuer of a qualified equity investment for such qualified
4 equity investment; and

5 (b) The following fraction:

6 a. The numerator shall be the dollar amount of qualified low-income community
7 investments held by the issuer in this state as of the credit allowance date during the applicable
8 tax year; and

9 b. The denominator shall be the total dollar amount of qualified low-income community
10 investments held by the issuer in all states as of the credit allowance date during the applicable
11 tax year;

12 c. For purposes of calculating the amount of qualified low-income community
13 investments held by an issuer, an investment shall be considered held by an issuer even if the
14 investment has been sold or repaid; provided that the issuer reinvests an amount equal to the
15 capital returned to or recovered by the issuer from the original investment, exclusive of any
16 profits realized, in another qualified low-income community investment within twelve months
17 of the receipt of such capital. An issuer shall not be required to reinvest capital returned from
18 qualified low-income community investments after the sixth anniversary of the issuance of the
19 qualified equity investment, the proceeds of which were used to make the qualified low-income
20 community investment, and the qualified low-income community investment shall be considered
21 held by the issuer through the seventh anniversary of the qualified equity investment's issuance;

22 (2) "Applicable percentage", zero percent for each of the first two credit allowance dates,
23 seven percent for the third credit allowance date, and eight percent for the next four credit
24 allowance dates;

25 (3) "Credit allowance date", with respect to any qualified equity investment:

26 (a) The date on which such investment is initially made; and

27 (b) Each of the six anniversary dates of such date thereafter;

28 (4) "Long-term debt security", any debt instrument issued by a qualified community
29 development entity, at par value or a premium, with an original maturity date of at least seven
30 years from the date of its issuance, with no acceleration of repayment, amortization, or
31 prepayment features prior to its original maturity date, and with no distribution, payment, or

32 interest features related to the profitability of the qualified community development entity or the
33 performance of the qualified community development entity's investment portfolio. The
34 foregoing shall in no way limit the holder's ability to accelerate payments on the debt instrument
35 in situations where the issuer has defaulted on covenants designed to ensure compliance with this
36 section or Section 45D of the Internal Revenue Code of 1986, as amended;

37 (5) "Qualified active low-income community business", the meaning given such term
38 in Section 45D of the Internal Revenue Code of 1986, as amended; provided that any business
39 that derives or projects to derive fifteen percent or more of its annual revenue from the rental or
40 sale of real estate shall not be considered to be a qualified active low-income community
41 business;

42 (6) "Qualified community development entity", the meaning given such term in Section
43 45D of the Internal Revenue Code of 1986, as amended; provided that such entity has entered
44 into an allocation agreement with the Community Development Financial Institutions Fund of
45 the U.S. Treasury Department with respect to credits authorized by Section 45D of the Internal
46 Revenue Code of 1986, as amended, which includes the state of Missouri within the service area
47 set forth in such allocation agreement;

48 (7) "Qualified equity investment", any equity investment in, or long-term debt security
49 issued by, a qualified community development entity that:

50 (a) Is acquired after September 4, 2007, at its original issuance solely in exchange for
51 cash;

52 (b) Has at least eighty-five percent of its cash purchase price used by the issuer to make
53 qualified low-income community investments; and

54 (c) Is designated by the issuer as a qualified equity investment under this subdivision and
55 is certified by the department of economic development as not exceeding the limitation contained
56 in subsection 2 of this section. This term shall include any qualified equity investment that does
57 not meet the provisions of paragraph (a) of this subdivision if such investment was a qualified
58 equity investment in the hands of a prior holder;

59 (8) "Qualified low-income community investment", any capital or equity investment in,
60 or loan to, any qualified active low-income community business. With respect to any one
61 qualified active low-income community business, the maximum amount of qualified low-income
62 community investments made in such business, on a collective basis with all of its affiliates, that
63 may be used from the calculation of any numerator described in subparagraph a. of paragraph
64 (b) of subdivision (1) of this subsection shall be ten million dollars whether issued to one or
65 several qualified community development entities;

66 (9) "Tax credit", a credit against the tax otherwise due under chapter 143, RSMo,
67 excluding withholding tax imposed in sections 143.191 to 143.265, RSMo, or otherwise due
68 under section 375.916, RSMo, or chapter 147, 148, or 153, RSMo;

69 (10) "Taxpayer", any individual or entity subject to the tax imposed in chapter 143,
70 RSMo, excluding withholding tax imposed in sections 143.191 to 143.265, RSMo, or the tax
71 imposed in section 375.916, RSMo, or chapter 147, 148, or 153, RSMo.

72 2. A taxpayer that makes a qualified equity investment earns a vested right to tax credits
73 under this section. On each credit allowance date of such qualified equity investment the
74 taxpayer, or subsequent holder of the qualified equity investment, shall be entitled to a tax credit
75 during the taxable year including such credit allowance date. The tax credit amount shall be
76 equal to the applicable percentage of the adjusted purchase price paid to the issuer of such
77 qualified equity investment. The amount of the tax credit claimed shall not exceed the amount
78 of the taxpayer's state tax liability for the tax year for which the tax credit is claimed. No tax
79 credit claimed under this section shall be refundable or transferable. Tax credits earned by a
80 partnership, limited liability company, S-corporation, or other pass-through entity may be
81 allocated to the partners, members, or shareholders of such entity for their direct use in
82 accordance with the provisions of any agreement among such partners, members, or
83 shareholders. Any amount of tax credit that the taxpayer is prohibited by this section from
84 claiming in a taxable year may be carried forward to any of the taxpayer's five subsequent taxable
85 years. The department of economic development shall limit the monetary amount of qualified
86 equity investments permitted under this section to a level necessary to limit tax credit utilization
87 at no more than [fifteen] **twenty-seven million five hundred thousand** dollars of tax credits in
88 any fiscal year. Such limitation on qualified equity investments shall be based on the anticipated
89 utilization of credits without regard to the potential for taxpayers to carry forward tax credits to
90 later tax years.

91 3. The issuer of the qualified equity investment shall certify to the department of
92 economic development the anticipated dollar amount of such investments to be made in this state
93 during the first twelve-month period following the initial credit allowance date. If on the second
94 credit allowance date, the actual dollar amount of such investments is different than the amount
95 estimated, the department of economic development shall adjust the credits arising on the second
96 allowance date to account for such difference.

97 4. The department of economic development shall recapture the tax credit allowed under
98 this section with respect to such qualified equity investment under this section if:

99 (1) Any amount of the federal tax credit available with respect to a qualified equity
100 investment that is eligible for a tax credit under this section is recaptured under Section 45D of
101 the Internal Revenue Code of 1986, as amended; or

(2) The issuer redeems or makes principal repayment with respect to a qualified equity investment prior to the seventh anniversary of the issuance of such qualified equity investment. Any tax credit that is subject to recapture shall be recaptured from the taxpayer that claimed the tax credit on a return.

5. The department of economic development shall promulgate rules to implement the provisions of this section, including recapture provisions on a scaled proportional basis, and to administer the allocation of tax credits issued for qualified equity investments, which shall be conducted on a first-come, first-serve basis. Any rule or portion of a rule, as that term is defined in section 536.010, RSMo, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536, RSMo, and, if applicable, section 536.028, RSMo. This section and chapter 536, RSMo, are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536, RSMo, to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after September 4, 2007, shall be invalid and void.

6. For fiscal years following fiscal year [2010] **2012**, qualified equity investments shall not be made under this section unless reauthorization is made pursuant to this subsection. For all fiscal years following fiscal year [2010] **2012**, unless the general assembly adopts a concurrent resolution granting authority to the department of economic development to approve qualified equity investments for the Missouri new markets development program and clearly describing the amount of tax credits available for the next fiscal year, or otherwise complies with the provisions of this subsection, no qualified equity investments may be permitted to be made under this section. The amount of available tax credits contained in such a resolution shall not exceed the limitation provided under subsection 2 of this section. In any year in which the provisions of this section shall sunset pursuant to subsection 7 of this section, reauthorization shall be made by general law and not by concurrent resolution. Nothing in this subsection shall preclude a taxpayer who makes a qualified equity investment prior to the expiration of authority to make qualified equity investments from claiming tax credits relating to such qualified equity investment for each applicable credit allowance date.

7. Under section 23.253, RSMo, of the Missouri sunset act:

(1) The provisions of the new program authorized under this section shall automatically sunset six years after September 4, 2007, unless reauthorized by an act of the general assembly; and

(2) If such program is reauthorized, the program authorized under this section shall automatically sunset twelve years after the effective date of the reauthorization of this section; and

138 (3) This section shall terminate on September first of the calendar year immediately
139 following the calendar year in which the program authorized under this section is sunset.
140 However, nothing in this subsection shall preclude a taxpayer who makes a qualified equity
141 investment prior to sunset of this section under the provisions of section 23.253, RSMo, from
142 claiming tax credits relating to such qualified equity investment for each credit allowance date.

144.058. In addition to the exemptions granted under this chapter, there shall also
2 **be specifically exempted from state and local sales and use taxes defined, levied, or**
3 **calculated under section 32.085, RSMo, sections 144.010 to 144.525, sections 144.600 to**
4 **144.761, or section 238.235, RSMo, all electrical energy, gas whether natural, artificial or**
5 **propane, water, and other utilities including telecommunication services, and machinery**
6 **and equipment which is used or consumed by any person, firm, corporation, or**
7 **partnership operating a business, which after August 28, 2009, relocates such business to**
8 **a facility located within a portion of an underground mine that is not used for mining and**
9 **contains at least five hundred thousand square feet of space, provided such business facility**
10 **is utilized for:**

- 11 (1) Data processing, hosting, and related services (NAICS 518210); or
12 (2) Internet publishing and broadcasting and web search portals (NAICS 519130),
13 at the business facility.

14
15 Any business which utilizes these exemptions shall not be allowed to simultaneously receive
16 benefits of the quality jobs act under sections 620.1875 to 620.1890, RSMo. "NAICS" shall
17 mean the 2007 edition of the North American Industry Classification System as prepared
18 by the Executive Office of the President, Office of Management and Budget. Any NAICS
19 sector, subsection, industry group or industry identified in this section shall include its
20 corresponding classification in previous and subsequent federal industry classification
21 systems.

208.205. 1. The MO HealthNet division shall ensure that MO HealthNet recipients
2 **have access to job training, community service, or other work activities as required by**
3 **federal law.**

4 **2. To ensure access, the division shall:**

- 5 (1) Require MO HealthNet providers to have linkages to job training and
6 workforce development partners, such as state career centers and contracted providers of
7 local workforce investment boards (WIB);
8 (2) Utilize moneys from the Social Services Block Grant to pay the cost of
9 one-on-one counseling sessions, job training, transportation to work, and customized job
10 training that attracts new business to this state;

11 (3) Require MO HealthNet recipients to meet with job counselors at regular
12 intervals throughout their eligibility for benefits and during the first twelve months of a
13 new job.

 348.273. As used in sections 348.273 and 348.274, the following terms shall mean:

2 (1) "Department", the Missouri department of economic development;

3 (2) "Distressed community", as defined in section 135.530, RSMo;

4 (3) "Equity investment", money or money equivalent in consideration for qualified
5 securities. An equity investment shall be deemed to have been made on the date of
6 acquisition of the qualified security, as such date is determined in accordance with the
7 provisions of the Internal Revenue Code;

8 (4) "Investor":

9 (a) An individual who is an accredited investor, as defined in 17 CFR 230.501(a)
10 as in effect on August 28, 2009; or

11 (b) Any partnership, corporation, trust, limited liability company, or not-for-profit
12 entity that was established and is operated for the purpose of making preseed and seed
13 stage investments in start-up companies, and is approved by the department;

14 (5) "Qualified Missouri business", an independently owned and operated business
15 which is headquartered and located in this state and which is in need of venture capital.
16 Such business shall have no more than two hundred employees, eighty percent of which are
17 employed in this state. Such business shall be involved in commerce for the purpose of
18 manufacturing, processing, or assembling products, conducting research and development,
19 or providing services in interstate commerce but excluding retail, real estate, real estate
20 development, insurance, and professional services provided by accountants, lawyers, or
21 physicians. At the time approval is sought, such business shall be a small business concern
22 that meets the requirements of the United States Small Business Administration's
23 qualification size standards for its venture capital program, as defined in the Small
24 Business Investment Act of 1958, as amended, and rules promulgated in 13 CFR
25 121.301(c), as amended;

26 (6) "Qualified securities", securities that are not redeemable or repayable within
27 seven years of issuance and that have been approved in form and substance by the
28 department. Forms of such equity securities include:

29 (a) A general or limited partnership interest;

30 (b) Common stock;

31 (c) Preferred stock, with or without voting rights, without regard to seniority
32 position, and whether or not convertible into common stock; or

33 (d) Convertible debt;

34 (7) "Rural area", any city, town, or village with fewer than fifteen thousand
35 inhabitants and located in any county that is not part of a standard metropolitan statistical
36 area as defined by the United States Department of Commerce or its successor agency.
37 However, any such city, town, or village located in any county so defined as a standard
38 metropolitan statistical area may be designated a rural area by the office of rural
39 development if:

40 (a) A substantial number of persons in such county derive their income from
41 agriculture;

42 (b) The county has only one city within the county having a population of more
43 than fifteen thousand and is classified as a standard metropolitan statistical area; and

44 (c) All other cities, towns, and villages in that county have a population of less than
45 fifteen thousand.

 348.274. 1. The department may authorize tax credits to encourage equity
2 investment into technology-based early stage Missouri companies.

3 2. If a qualified Missouri business is approved by the department, the investors who
4 contribute the first five hundred thousand dollars in equity investment in the qualified
5 Missouri business may be issued a tax credit in the year the equity investment is made.
6 The tax credit shall be in a total amount equal to thirty percent of such investors' equity
7 investment in any qualified Missouri business, subject to the limitations set forth in
8 subsection 5 of this section. However, if the qualified Missouri business invested in is
9 located in a rural area or a distressed community, the investors may be issued a tax credit
10 for forty percent of such investment, subject to the limitations set forth in subsection 5 of
11 this section.

12 3. (1) Before an investor may be entitled to receive tax credits, as authorized by this
13 section, such investor shall have made an equity investment in a qualified security of a
14 qualified Missouri business. This business shall have been approved by the department
15 as a qualified Missouri business prior to the date on which the cash investment was made.
16 To be designated as a qualified Missouri business, a business shall make application to the
17 department in accordance with the provisions of this section. Such application shall be in
18 form and substance as required by the department but shall include at least the following:

19 (a) The name of the business and certified copies of the organizational documents
20 of the business;

21 (b) A business plan, including a description of the business and the management,
22 product, market, and financial plan of the business;

23 (c) A statement of the business innovative and proprietary technology, product, or
24 service;

25 (d) A statement of the potential economic impact of the enterprise including the
26 number, location, and types of jobs expected to be created;

27 (e) A description of the qualified securities to be issued, the consideration to be paid
28 for the qualified securities, the amount of any tax credits requested, and the earliest year
29 in which the tax credits may be redeemed;

30 (f) A statement of the amount, timing, and projected use of the proceeds to be
31 raised from the proposed sale of qualified securities; and

32 (g) Other information as the department may request, such as the names,
33 addresses, and taxpayer identification numbers of all investors who may qualify for the tax
34 credit. Such list of investors who may qualify for the tax credits shall be amended as new
35 qualified securities are sold or as any information on the list changes.

36 (2) No business shall be designated as a qualified Missouri business unless such
37 business meets all of the following criteria:

38 (a) The business shall not have had annual gross revenues of more than three
39 million dollars in the most recent tax year of the business;

40 (b) The business shall not have ownership interests including, but not limited to,
41 common or preferred shares of stock that can be traded by the public via a stock exchange,
42 electronic exchange, bulletin board, or other public market place on or before the date that
43 a qualifying investment is made;

44 (c) The business shall not be engaged primarily in any one or more of the following
45 enterprises:

46 a. The business of banking, savings and loan or lending institutions, credit or
47 finance, or financial brokerage or investments;

48 b. Professional services, such as legal, accounting or engineering services;

49 c. Governmental, charitable, religious or trade organizations;

50 d. The ownership, development, brokerage, sales, or leasing of real estate;

51 e. Insurance;

52 f. Construction or construction management or contracting;

53 g. Business consulting or brokerage;

54 h. Any business engaged primarily as a passive business, having irregular or
55 noncontinuous operations, or deriving substantially all of the income of the business from
56 passive investments that generate interest, dividends, royalties, or capital gains, or any
57 business arrangements the effect of which is to immunize an investor from risk of loss;

58 i. Any Missouri certified capital formation company;

59 j. Any activity that is in violation of the law; and

60 k. Any business raising money primarily to purchase real estate, land, or fixtures;

61 (d) The business shall satisfy all other requirements of this section.

62 (3) The portions of documents and other materials submitted to the department
63 that contain trade secrets shall be kept confidential and shall be maintained in a secured
64 environment by the director of the department. For the purposes of this section, such
65 portions of documents and other materials shall mean any customer list, any formula,
66 compound, production data, or compilation of information certain individuals within a
67 commercial concern using such portions of documents and other material means to
68 fabricate, produce, or compound an article of trade, or, any service having commercial
69 value, which gives the user an opportunity to obtain a business advantage over competitors
70 who do not know or use such service.

71 (4) A qualified Missouri business shall have the burden of proof to demonstrate to
72 the department the qualifications of the business under this section and shall have the
73 obligation to notify the department in a timely manner of any changes in the qualifications
74 of the business or in the eligibility of investors to claim a tax credit for cash investment in
75 a qualified security.

76 4. The designation of a business as a qualified Missouri business shall be made by
77 the department, and such designation shall be renewed annually. A business shall be so
78 designated if the department determines, based upon the application submitted by the
79 business and any additional investigation the staff of the department shall make, that the
80 following criteria have been or shall be satisfied:

81 (1) The business has a reasonable chance of success;

82 (2) The ability of investors in the business to receive tax credits for cash investments
83 in qualified securities of the business is necessary because funding otherwise available for
84 the business is not available on commercially reasonable terms;

85 (3) The business has the reasonable potential to create measurable employment
86 within the state;

87 (4) The business has an innovative and proprietary technology, product, and
88 service;

89 (5) The existing owners of the business and other founders have made or are
90 committed to make a substantial financial and time commitment to the business;

91 (6) The securities to be issued and purchased are qualified securities; and

92 (7) Binding commitments have been made by the business to the department for
93 adequate reporting of financial data, including a requirement for an annual report, or, if
94 required by the department, an annual audit of the financial and operational records of
95 the business, the right of access to the financial records of the business, and the right of the

department to record and publish normal and customary data and information related to the issuance of tax credits that are not otherwise determined to be trade or business secrets.

5. The department shall not issue tax credits of more than fifty thousand dollars to an investor per investment into a single, qualified Missouri company, or for tax credits totaling more than one hundred thousand dollars in a single year per investor. The total amount of tax credits that may be allowed under this section shall not exceed five million dollars per tax year.

6. This tax credit may be used in its entirety in the taxable year in which the equity investment is made or the credit may be carried forward for use in any of the next three consecutive tax years until the total amount of the credit is used. The tax credits may be sold, assigned, exchanged, or otherwise transferred.

7. Tax credits may be used against the tax otherwise due under chapter 143, RSMo, not including sections 143.191 to 143.265, RSMo.

8. A qualified Missouri business for which credits have been issued that, within seven years of receiving tax credits under this section relocates its headquarters out of Missouri, ceases to employ eighty percent of its employees in Missouri, alters the principal nature of its operations, or divests itself of key assets shall upon demand by the department pay the state of Missouri an amount equal to the amount of credits issued to its contributors.

9. The reasonable costs of the administration of this section, the review of applications for certification as qualified Missouri businesses, and the issuance of tax credits authorized by this section shall be reimbursed through fees paid by the qualified Missouri businesses and the investors or the transferees of investors, according to a reasonable fee schedule adopted by the department.

10. In addition to reports by the businesses to the department, the department shall also provide in its annual report information on the marketing and use of the investor tax credits. This report shall include the following:

(1) The amount of tax credits used in the previous fiscal year including what percentage was claimed by individuals and what percentage was claimed by firms and other entities;

(2) The types of businesses that benefited from the tax credits; and

(3) Any aggregate job creation or capital investment in Missouri that resulted from the use of the tax credits for a period of five years beginning from the date on which the tax credits were awarded.

131 **In addition, the annual report shall provide information regarding what businesses**
132 **deriving a benefit from the tax credits remained in Missouri, what businesses ceased doing**
133 **business, what businesses were purchased, and what businesses may have moved out-of-**
134 **state and the reason for such move.**

620.495. 1. This section shall be known as the "Small Business Incubators Act".

2 2. As used in this section, unless the context clearly indicates otherwise, the following
3 words and phrases shall mean:

4 (1) "Department", the department of economic development;

5 (2) "Incubator", a program in which small units of space may be leased by a tenant and
6 in which management maintains or provides access to business development services for use by
7 tenants or a program without infrastructure in which participants avail themselves of business
8 development services to assist in the growth of their start-up small businesses;

9 (3) "Local sponsor" or "sponsor", an organization which enters into a written agreement
10 with the department to establish, operate and administer a small business incubator program or
11 to provide funding to an organization which operates such a program;

12 (4) "Participant", a sole proprietorship, business partnership or corporation operating a
13 business for profit through which the owner avails himself or herself of business development
14 services in an incubator program;

15 (5) "Tenant", a sole proprietorship, business partnership or corporation operating a
16 business for profit and leasing or otherwise occupying space in an incubator.

17 3. There is hereby established under the direction of the department a loan, loan
18 guarantee and grant program for the establishment, operation and administration of small
19 business incubators, to be known as the "Small Business Incubator Program". A local sponsor
20 may submit an application to the department to obtain a loan, loan guarantee or grant to establish
21 an incubator. Each application shall:

22 (1) Demonstrate that a program exists that can be transformed into an incubator at a
23 specified cost;

24 (2) Demonstrate the ability to directly provide or arrange for the provision of business
25 development services for tenants and participants of the incubator. These services shall include,
26 but need not be limited to, financial consulting assistance, management and marketing assistance,
27 business education, and physical services;

28 (3) Demonstrate a potential for sustained use of the incubator program by eligible tenants
29 and participants, through a market study or other means;

30 (4) Demonstrate the ability to manage and operate the incubator program;

31 (5) Include such other information as the department may require through its guidelines.

32 4. The department shall review and accept applications based on the following criteria:

- 33 (1) Ability of the local sponsor to carry out the provisions of this section;
34 (2) Economic impact of the incubator on the community;
35 (3) Conformance with areawide and local economic development plans, if such exist;
36 (4) Location of the incubator, in order to encourage geographic distribution of incubators
37 across the state.

38 5. Loans, loan guarantees and grants shall be administered in the following manner:

39 (1) Loans awarded or guaranteed and grants awarded shall be used only for the
40 acquisition and leasing of land and existing buildings, the rehabilitation of buildings or other
41 facilities, construction of new facilities, the purchase of equipment and furnishings which are
42 necessary for the creation and operation of the incubator, and business development services
43 including, but not limited to, business management advising and business education;

44 (2) Loans, loan guarantees and grants may not exceed fifty percent of total eligible
45 project costs;

46 (3) Payment of interest and principal on loans may be deferred at the discretion of the
47 department.

48 6. A local sponsor, or the organization receiving assistance through the local sponsor,
49 shall have the following responsibilities and duties in establishing and operating an incubator
50 with assistance from the small business incubator program:

51 (1) Secure title on a facility for the program or a lease of a facility for the program;

52 (2) Manage the physical development of the incubator program, including the provision
53 of common conference or meeting space;

54 (3) Furnish and equip the program to provide business services to the tenants and
55 participants;

56 (4) Market the program and secure eligible tenants and participants;

57 (5) Provide financial consulting, marketing and management assistance services or
58 arrange for the provision of these services for tenants and participants of the incubator, including
59 assistance in accessing private financial markets;

60 (6) Set rental and service fees;

61 (7) Encourage the sharing of ideas between tenants and participants and otherwise aid
62 the tenants and participants in an innovative manner while they are within the incubator;

63 (8) Establish policies and criteria for the acceptance of tenants and participants into the
64 incubator and for the termination of occupancy of tenants so as to maximize the opportunity to
65 succeed for the greatest number of tenants, consistent with those specified in this section.

66 7. The department:

67 (1) May adopt such rules, statements of policy, procedures, forms and guidelines as may
68 be necessary for the implementation of this section;

69 (2) May make loans, loan guarantees and grants to local sponsors for incubators;

70 (3) Shall ensure that local sponsors receiving loans, loan guarantees or grants meet the
71 conditions of this section;

72 (4) Shall receive and evaluate annual reports from local sponsors. Such annual reports
73 shall include, but need not be limited to, a financial statement for the incubator, evidence that
74 all tenants and participants in the program are eligible under the terms of this section, and a list
75 of companies in the incubator.

76 8. The department of economic development is also hereby authorized to review any
77 previous loans made under this program and, where appropriate in the department's judgment,
78 convert such loans to grant status.

79 9. On or before January first of each year, the department shall provide a report to the
80 governor, the chief clerk of the house of representatives and the secretary of the senate which
81 shall include, but need not be limited to:

82 (1) The number of applications for incubators submitted to the department;

83 (2) The number of applications for incubators approved by the department;

84 (3) The number of incubators created through the small business incubator program;

85 (4) The number of tenants and participants engaged in each incubator;

86 (5) The number of jobs provided by each incubator and tenants and participant of each
87 incubator;

88 (6) The occupancy rate of each incubator;

89 (7) The number of firms still operating in the state after leaving incubators and the
90 number of jobs they have provided.

91 10. There is hereby established in the state treasury a special fund to be known as the
92 "Missouri Small Business Incubators Fund", which shall consist of all moneys which may be
93 appropriated to it by the general assembly, and also any gifts, contributions, grants or bequests
94 received from federal, private or other sources. Moneys for loans, loan guarantees and grants
95 under the small business incubator program may be obtained from appropriations made by the
96 general assembly from the Missouri small business incubators fund. Any moneys remaining in
97 the Missouri small business incubators fund at the end of any fiscal year shall not lapse to the
98 general revenue fund, as provided in section 33.080, RSMo, but shall remain in the Missouri
99 small business incubators fund.

100 11. For any taxable year beginning after December 31, 1989, a taxpayer, including any
101 charitable organization which is exempt from federal income tax and whose Missouri unrelated
102 business taxable income, if any, would be subject to the state income tax imposed under chapter
103 143, RSMo, shall be entitled to a tax credit against any tax otherwise due under the provisions
104 of chapter 143, RSMo, or chapter 147, RSMo, or chapter 148, RSMo, excluding withholding tax

105 imposed by sections 143.191 to 143.265, RSMo, in the amount of fifty percent of any amount
106 contributed by the taxpayer to the Missouri small business incubators fund during the taxpayer's
107 tax year or any contribution by the taxpayer to a local sponsor after the local sponsor's
108 application has been accepted and approved by the department. The tax credit allowed by this
109 subsection shall be claimed by the taxpayer at the time he files his return and shall be applied
110 against the income tax liability imposed by chapter 143, RSMo, or chapter 147, RSMo, or
111 chapter 148, RSMo, after all other credits provided by law have been applied. That portion of
112 earned tax credits which exceeds the taxpayer's tax liability may be carried forward for up to five
113 years. The aggregate of all tax credits authorized under this section shall not exceed [five
114 hundred thousand] **one million** dollars in any taxable year.

115 12. Notwithstanding any provision of Missouri law to the contrary, any taxpayer may
116 sell, assign, exchange, convey or otherwise transfer tax credits allowed in subsection 11 of this
117 section under the terms and conditions prescribed in subdivisions (1) and (2) of this subsection.
118 Such taxpayer, hereinafter the assignor for the purpose of this subsection, may sell, assign,
119 exchange or otherwise transfer earned tax credits:

120 (1) For no less than seventy-five percent of the par value of such credits; and

121 (2) In an amount not to exceed one hundred percent of annual earned credits. The
122 taxpayer acquiring earned credits, hereinafter the assignee for the purpose of this subsection, may
123 use the acquired credits to offset up to one hundred percent of the tax liabilities otherwise
124 imposed by chapter 143, RSMo, or chapter 147, RSMo, or chapter 148, RSMo, excluding
125 withholding tax imposed by sections 143.191 to 143.265, RSMo. Unused credits in the hands
126 of the assignee may be carried forward for up to five years. The assignor shall enter into a
127 written agreement with the assignee establishing the terms and conditions of the agreement and
128 shall perfect such transfer by notifying the department of economic development in writing
129 within thirty calendar days following the effective day of the transfer and shall provide any
130 information as may be required by the department of economic development to administer and
131 carry out the provisions of this section. The director of the department of economic development
132 shall prescribe the method for submitting applications for claiming the tax credit allowed under
133 subsection 11 of this section and shall, if the application is approved, certify to the director of
134 revenue that the taxpayer claiming the credit has satisfied all the requirements specified in this
135 section and is eligible to claim the credit.

620.1039. 1. As used in this section, the term "taxpayer" means an individual, a
2 partnership, or any charitable organization which is exempt from federal income tax and whose
3 Missouri unrelated business taxable income, if any, would be subject to the state income tax
4 imposed under chapter 143, RSMo, or a corporation as described in section 143.441 or 143.471,
5 RSMo, or section 148.370, RSMo, and the term "qualified research expenses" has the same

6 meaning as prescribed in 26 U.S.C. 41, **except that such qualified research expenses shall be**
7 **limited to those incurred in the research and development of agricultural biotechnology,**
8 **plant genomics products, diagnostic and therapeutic medical devices, prescription**
9 **pharmaceuticals consumed by humans or animals, or qualified research expenses incurred**
10 **in the research, development or manufacture of power system technology for aerospace,**
11 **space, defense, or implantable or wearable medical devices.**

12 2. For tax years beginning on or after January 1, 2001, the director of the department of
13 economic development [may] **shall** authorize a taxpayer to receive a tax credit against the tax
14 otherwise due pursuant to chapter 143, RSMo, or chapter 148, RSMo, other than the taxes
15 withheld pursuant to sections 143.191 to 143.265, RSMo, in an amount up to six and one-half
16 percent of the excess of the taxpayer's qualified research expenses, as certified by the director
17 of the department of economic development, within this state during the taxable year over the
18 average of the taxpayer's qualified research expenses within this state over the immediately
19 preceding three taxable years; except that, no tax credit shall be allowed on that portion of the
20 taxpayer's qualified research expenses incurred within this state during the taxable year in which
21 the credit is being claimed, to the extent such expenses exceed two hundred percent of the
22 taxpayer's average qualified research expenses incurred during the immediately preceding three
23 taxable years.

24 3. The director of economic development shall prescribe the manner in which the tax
25 credit may be applied for. The tax credit authorized by this section may be claimed by the
26 taxpayer to offset the tax liability imposed by chapter 143, RSMo, or chapter 148, RSMo, that
27 becomes due in the tax year during which such qualified research expenses were incurred.
28 Where the amount of the credit exceeds the tax liability, the difference between the credit and
29 the tax liability may only be carried forward for the next five succeeding taxable years or until
30 the full credit has been claimed, whichever first occurs. The application for tax credits
31 authorized by the director pursuant to subsection 2 of this section shall be made **no earlier than**
32 **January first and** no later than [the end of] **July first of the calendar year immediately**
33 **following the calendar year in which** the taxpayer's tax period [immediately following the tax
34 period] for which the credits are being claimed **ended. The director shall act on any such**
35 **application for tax credits no sooner than August first but no later than August fifteenth**
36 **of each year for applications filed in that calendar year.**

37 4. Certificates of tax credit issued pursuant to this section may be transferred, sold or
38 assigned by filing a notarized endorsement thereof with the department which names the
39 transferee and the amount of tax credit transferred. The director of economic development may
40 allow a taxpayer to transfer, sell or assign up to forty percent of the amount of the certificates of
41 tax credit issued to and not claimed by such taxpayer pursuant to this section during any tax year

42 commencing on or after January 1, [1996] **2010**, and ending not later than December 31, [1999]
43 **2016**. Such taxpayer shall file, by December 31, [2001] **2018**, an application with the
44 department which names the transferee, the amount of tax credit desired to be transferred, and
45 a certification that the funds received by the applicant as a result of the transfer, sale or
46 assignment of the tax credit shall be expended within three years at the state university for the
47 sole purpose of conducting research activities agreed upon by the department, the taxpayer and
48 the state university. Failure to expend such funds in the manner prescribed pursuant to this
49 section shall cause the applicant to be subject to the provisions of section 620.017.

50 5. No rule or portion of a rule promulgated under the authority of this section shall
51 become effective unless it has been promulgated pursuant to the provisions of chapter 536,
52 RSMo. All rulemaking authority delegated prior to June 27, 1997, is of no force and effect and
53 repealed; however, nothing in this section shall be interpreted to repeal or affect the validity of
54 any rule filed or adopted prior to June 27, 1997, if such rule complied with the provisions of
55 chapter 536, RSMo. The provisions of this section and chapter 536, RSMo, are nonseverable
56 and if any of the powers vested with the general assembly pursuant to chapter 536, RSMo,
57 including the ability to review, to delay the effective date, or to disapprove and annul a rule or
58 portion of a rule, are subsequently held unconstitutional, then the purported grant of rulemaking
59 authority and any rule so proposed and contained in the order of rulemaking shall be invalid and
60 void.

61 6. The aggregate of all tax credits authorized pursuant to this section shall not exceed
62 [nine] **ten** million [seven hundred thousand] dollars in any **calendar** year. **In the event that**
63 **total eligible claims for credits received in a calendar year exceed the annual cap, each**
64 **eligible claimant shall be issued credits based upon the following formula: the eligible**
65 **credits if the annual cap had not been exceeded multiplied by the ratio of the annual cap**
66 **divided by the total of all eligible claims for credits filed in that calendar year.**

67 7. [For all tax years beginning on or after January 1, 2005, no tax credits shall be
68 approved, awarded, or issued to any person or entity claiming any tax credit under this section]
69 **No one taxpayer shall be issued more than thirty percent of the aggregate of all tax credits**
70 **authorized under this section in any calendar year.**

620.1878. For the purposes of sections 620.1875 to 620.1890, the following terms shall
2 mean:

3 (1) "Approval", a document submitted by the department to the qualified company that
4 states the benefits that may be provided by this program;

5 (2) "Average wage", the new payroll divided by the number of new jobs;

6 (3) "Commencement of operations", the starting date for the qualified company's first
7 new employee, which must be no later than twelve months from the date of the approval;

8 (4) "County average wage", the average wages in each county as determined by the
9 department for the most recently completed full calendar year. However, if the computed county
10 average wage is above the statewide average wage, the statewide average wage shall be deemed
11 the county average wage for such county for the purpose of determining eligibility. The
12 department shall publish the county average wage for each county at least annually.
13 Notwithstanding the provisions of this subdivision to the contrary, for any qualified company
14 that in conjunction with their project is relocating employees from a Missouri county with a
15 higher county average wage, the company shall obtain the endorsement of the governing body
16 of the community from which jobs are being relocated or the county average wage for their
17 project shall be the county average wage for the county from which the employees are being
18 relocated;

19 (5) "Department", the Missouri department of economic development;

20 (6) "Director", the director of the department of economic development;

21 (7) "Employee", a person employed by a qualified company;

22 (8) "Full-time employee", an employee of the qualified company that is scheduled to
23 work an average of at least thirty-five hours per week for a twelve-month period, and one for
24 which the qualified company offers health insurance and pays at least fifty percent of such
25 insurance premiums;

26 (9) "High-impact project", a qualified company that, within two years from
27 commencement of operations, creates one hundred or more new jobs;

28 (10) "Local incentives", the present value of the dollar amount of direct benefit received
29 by a qualified company for a project facility from one or more local political subdivisions, but
30 shall not include loans or other funds provided to the qualified company that must be repaid by
31 the qualified company to the political subdivision;

32 (11) "NAICS", the 1997 edition of the North American Industry Classification System
33 as prepared by the Executive Office of the President, Office of Management and Budget. Any
34 NAICS sector, subsector, industry group or industry identified in this section shall include its
35 corresponding classification in subsequent federal industry classification systems;

36 (12) "New direct local revenue", the present value of the dollar amount of direct net new
37 tax revenues of the local political subdivisions likely to be produced by the project over a
38 ten-year period as calculated by the department, excluding local earnings tax, and net new utility
39 revenues, provided the local incentives include a discount or other direct incentives from utilities
40 owned or operated by the political subdivision;

41 (13) "New investment", the purchase or leasing of new tangible assets to be placed in
42 operation at the project facility, which will be directly related to the new jobs;

43 (14) "New job", the number of full-time employees located at the project facility that
44 exceeds the project facility base employment less any decrease in the number of full-time
45 employees at related facilities below the related facility base employment. No job that was
46 created prior to the date of the notice of intent shall be deemed a new job. An employee that
47 spends less than fifty percent of the employee's work time at the facility is still considered to be
48 located at a facility if the employee receives his or her directions and control from that facility,
49 is on the facility's payroll, one hundred percent of the employee's income from such employment
50 is Missouri income, and the employee is paid at or above the state average wage;

51 (15) "New payroll", the amount of taxable wages of full-time employees, excluding
52 owners, located at the project facility that exceeds the project facility base payroll. If full-time
53 employment at related facilities is below the related facility base employment, any decrease in
54 payroll for full-time employees at the related facilities below that related facility base payroll
55 shall also be subtracted to determine new payroll;

56 (16) "Notice of intent", a form developed by the department, completed by the qualified
57 company and submitted to the department which states the qualified company's intent to hire new
58 jobs and request benefits under this program;

59 (17) "Percent of local incentives", the amount of local incentives divided by the amount
60 of new direct local revenue;

61 (18) "Program", the Missouri quality jobs program provided in sections 620.1875 to
62 620.1890;

63 (19) "Project facility", the building used by a qualified company at which the new jobs
64 and new investment will be located. A project facility may include separate buildings that are
65 located within one mile of each other or within the same county such that their purpose and
66 operations are interrelated;

67 (20) "Project facility base employment", the greater of the number of full-time
68 employees located at the project facility on the date of the notice of intent or for the
69 twelve-month period prior to the date of the notice of intent, the average number of full-time
70 employees located at the project facility. In the event the project facility has not been in
71 operation for a full twelve-month period, the average number of full-time employees for the
72 number of months the project facility has been in operation prior to the date of the notice of
73 intent;

74 (21) "Project facility base payroll", the total amount of taxable wages paid by the
75 qualified company to full-time employees of the qualified company located at the project facility
76 in the twelve months prior to the notice of intent, not including the payroll of the owners of the
77 qualified company unless the qualified company is participating in an employee stock ownership

78 plan. For purposes of calculating the benefits under this program, the amount of base payroll
79 shall increase each year based on an appropriate measure, as determined by the department;

80 (22) "Project period", the time period that the benefits are provided to a qualified
81 company;

82 (23) "Qualified company", a firm, partnership, joint venture, association, private or
83 public corporation whether organized for profit or not, or headquarters of such entity registered
84 to do business in Missouri that is the owner or operator of a project facility, offers health
85 insurance to all full-time employees of all facilities located in this state, and pays at least fifty
86 percent of such insurance premiums. For the purposes of sections 620.1875 to 620.1890, the
87 term "qualified company" shall not include:

88 (a) Gambling establishments (NAICS industry group 7132);

89 (b) Retail trade establishments (NAICS sectors 44 and 45);

90 (c) Food and drinking places (NAICS subsector 722);

91 (d) Public utilities (NAICS 221 including water and sewer services);

92 (e) Any company that is delinquent in the payment of any nonprotested taxes or any
93 other amounts due the state or federal government or any other political subdivision of this state;

94 (f) Any company that has filed for or has publicly announced its intention to file for
95 bankruptcy protection;

96 (g) Educational services (NAICS sector 61);

97 (h) Religious organizations (NAICS industry group 8131);

98 (i) Public administration (NAICS sector 92);

99 (j) Ethanol distillation or production; or

100 (k) Biodiesel production. Notwithstanding any provision of this section to the contrary,
101 the headquarters or administrative offices of an otherwise excluded business may qualify for
102 benefits if the offices serve a multistate territory. In the event a national, state, or regional
103 headquarters operation is not the predominant activity of a project facility, the new jobs and
104 investment of such headquarters operation is considered eligible for benefits under this section
105 if the other requirements are satisfied;

106 (24) "Qualified renewable energy sources" shall not be construed to include ethanol
107 distillation or production or biodiesel production; however, it shall include:

108 (a) Open-looped biomass;

109 (b) Close-looped biomass;

110 (c) Solar;

111 (d) Wind;

112 (e) Geothermal; and

113 (f) Hydropower;

114 (25) "Related company" means:

115 (a) A corporation, partnership, trust, or association controlled by the qualified company;

116 (b) An individual, corporation, partnership, trust, or association in control of the
117 qualified company; or

118 (c) Corporations, partnerships, trusts or associations controlled by an individual,
119 corporation, partnership, trust or association in control of the qualified company. As used in this
120 subdivision, "control of a corporation" shall mean ownership, directly or indirectly, of stock
121 possessing at least fifty percent of the total combined voting power of all classes of stock entitled
122 to vote, "control of a partnership or association" shall mean ownership of at least fifty percent
123 of the capital or profits interest in such partnership or association, "control of a trust" shall mean
124 ownership, directly or indirectly, of at least fifty percent of the beneficial interest in the principal
125 or income of such trust, and ownership shall be determined as provided in Section 318 of the
126 Internal Revenue Code of 1986, as amended;

127 (26) "Related facility", a facility operated by the qualified company or a related company
128 located in this state that is directly related to the operations of the project facility;

129 (27) "Related facility base employment", the greater of the number of full-time
130 employees located at all related facilities on the date of the notice of intent or for the
131 twelve-month period prior to the date of the notice of intent, the average number of full-time
132 employees located at all related facilities of the qualified company or a related company located
133 in this state;

134 (28) "Related facility base payroll", the total amount of taxable wages paid by the
135 qualified company to full-time employees of the qualified company located at a related facility
136 in the twelve months prior to the filing of the notice of intent, not including the payroll of the
137 owners of the qualified company unless the qualified company is participating in an employee
138 stock ownership plan. For purposes of calculating the benefits under this program, the amount
139 of related facility base payroll shall increase each year based on an appropriate measure, as
140 determined by the department;

141 (29) "Rural area", a county in Missouri with a population less than seventy-five thousand
142 or that does not contain an individual city with a population greater than fifty thousand according
143 to the most recent federal decennial census;

144 (30) "Small and expanding business project", a qualified company that within two years
145 of the date of the approval creates a minimum of twenty new jobs if the project facility is located
146 in a rural area or a minimum of forty new jobs if the project facility is not located in a rural area
147 and creates fewer than one hundred new jobs regardless of the location of the project facility;

148 (31) "Tax credits", tax credits issued by the department to offset the state income taxes
149 imposed by chapters 143 and 148, RSMo, or which may be sold or refunded as provided for in
150 this program;

151 (32) "Technology business project", a qualified company that within two years of the
152 date of the approval creates a minimum of ten new jobs involved in the operations of a company:

153 (a) Which is a technology company, as determined by a regulation promulgated by the
154 department under the provisions of section 620.1884 or classified by NAICS codes;

155 (b) Which owns or leases a facility which produces electricity derived from qualified
156 renewable energy sources, or produces fuel for the generation of electricity from qualified
157 renewable energy sources, but does not include any company that has received the alcohol
158 mixture credit, alcohol credit, or small ethanol producer credit pursuant to 26 U.S.C. Section
159 40 of the tax code in the previous tax year; [or]

160 (c) Which researches, develops, or manufactures power system technology for:
161 aerospace; space; defense; hybrid vehicles; or implantable or wearable medical devices; **or**

162 **(d) Which is a clinical molecular diagnostic laboratory focused on detecting and**
163 **monitoring infections in immunocompromised patient populations;**

164 (33) "Withholding tax", the state tax imposed by sections 143.191 to 143.265, RSMo.
165 For purposes of this program, the withholding tax shall be computed using a schedule as
166 determined by the department based on average wages.

620.1881. 1. The department of economic development shall respond within thirty days
2 to a company who provides a notice of intent with either an approval or a rejection of the notice
3 of intent. The department shall give preference to qualified companies and projects targeted at
4 an area of the state which has recently been classified as a disaster area by the federal
5 government. Failure to respond on behalf of the department of economic development shall
6 result in the notice of intent being deemed an approval for the purposes of this section. A
7 qualified company who is provided an approval for a project shall be allowed a benefit as
8 provided in this program in the amount and duration provided in this section. A qualified
9 company may receive additional periods for subsequent new jobs at the same facility after the
10 full initial period if the minimum thresholds are met as set forth in sections 620.1875 to
11 620.1890. There is no limit on the number of periods a qualified company may participate in the
12 program, as long as the minimum thresholds are achieved and the qualified company provides
13 the department with the required reporting and is in proper compliance for this program or other
14 state programs. A qualified company may elect to file a notice of intent to start a new project
15 period concurrent with an existing project period if the minimum thresholds are achieved and
16 the qualified company provides the department with the required reporting and is in proper
17 compliance for this program and other state programs; however, the qualified company may not

18 receive any further benefit under the original approval for jobs created after the date of the new
19 notice of intent, and any jobs created before the new notice of intent may not be included as new
20 jobs for the purpose of benefit calculation in relation to the new approval.

21 2. Notwithstanding any provision of law to the contrary, any qualified company that is
22 awarded benefits under this program may not simultaneously receive tax credits or exemptions
23 under sections 135.100 to 135.150, sections 135.200 to 135.286, section 135.535, or sections
24 135.900 to 135.906, RSMo, at the same project facility. The benefits available to the company
25 under any other state programs for which the company is eligible and which utilize withholding
26 tax from the new jobs of the company must first be credited to the other state program before the
27 withholding retention level applicable under the Missouri quality jobs act will begin to accrue.
28 These other state programs include, but are not limited to, the new jobs training program under
29 sections 178.892 to 178.896, RSMo, the job retention program under sections 178.760 to
30 178.764, RSMo, the real property tax increment allocation redevelopment act, sections 99.800
31 to 99.865, RSMo, or the Missouri downtown and rural economic stimulus act under sections
32 99.915 to 99.980, RSMo. If any qualified company also participates in the new jobs training
33 program in sections 178.892 to 178.896, RSMo, the company shall retain no withholding tax,
34 but the department shall issue a refundable tax credit for the full amount of benefit allowed under
35 this subdivision. The calendar year annual maximum amount of tax credits which may be issued
36 to a qualifying company that also participates in the new job training program shall be increased
37 by an amount equivalent to the withholding tax retained by that company under the new jobs
38 training program. However, if the combined benefits of the quality jobs program and the new
39 jobs training program exceed the projected state benefit of the project, as determined by the
40 department of economic development through a cost-benefit analysis, the increase in the
41 maximum tax credits shall be limited to the amount that would not cause the combined benefits
42 to exceed the projected state benefit. Any taxpayer who is awarded benefits under this program
43 who knowingly hires individuals who are not allowed to work legally in the United States shall
44 immediately forfeit such benefits and shall repay the state an amount equal to any state tax
45 credits already redeemed and any withholding taxes already retained.

46 3. The types of projects and the amount of benefits to be provided are:

47 (1) Small and expanding business projects: in exchange for the consideration provided
48 by the new tax revenues and other economic stimuli that will be generated by the new jobs
49 created by the program, a qualified company may retain an amount equal to the withholding tax
50 as calculated under subdivision (33) of section 620.1878 from the new jobs that would otherwise
51 be withheld and remitted by the qualified company under the provisions of sections 143.191 to
52 143.265, RSMo, for a period of three years from the date the required number of new jobs were
53 created if the average wage of the new payroll equals or exceeds the county average wage or for

54 a period of five years from the date the required number of new jobs were created if the average
55 wage of the new payroll equals or exceeds one hundred twenty percent of the county average
56 wage;

57 (2) Technology business projects: in exchange for the consideration provided by the new
58 tax revenues and other economic stimuli that will be generated by the new jobs created by the
59 program, a qualified company may retain an amount equal to a maximum of five percent of new
60 payroll for a period of five years from the date the required number of jobs were created from
61 the withholding tax of the new jobs that would otherwise be withheld and remitted by the
62 qualified company under the provisions of sections 143.191 to 143.265, RSMo, if the average
63 wage of the new payroll equals or exceeds the county average wage. An additional one-half
64 percent of new payroll may be added to the five percent maximum if the average wage of the
65 new payroll in any year exceeds one hundred twenty percent of the county average wage in the
66 county in which the project facility is located, plus an additional one-half percent of new payroll
67 may be added if the average wage of the new payroll in any year exceeds one hundred forty
68 percent of the average wage in the county in which the project facility is located. The department
69 shall issue a refundable tax credit for any difference between the amount of benefit allowed
70 under this subdivision and the amount of withholding tax retained by the company, in the event
71 the withholding tax is not sufficient to provide the entire amount of benefit due to the qualified
72 company under this subdivision[. The calendar year annual maximum amount of tax credits that
73 may be issued to any qualified company for a project or combination of projects is five hundred
74 thousand dollars];

75 (3) High impact projects: in exchange for the consideration provided by the new tax
76 revenues and other economic stimuli that will be generated by the new jobs created by the
77 program, a qualified company may retain an amount from the withholding tax of the new jobs
78 that would otherwise be withheld and remitted by the qualified company under the provisions
79 of sections 143.191 to 143.265, RSMo, equal to three percent of new payroll for a period of five
80 years from the date the required number of jobs were created if the average wage of the new
81 payroll equals or exceeds the county average wage of the county in which the project facility is
82 located. The percentage of payroll allowed under this subdivision shall be three and one-half
83 percent of new payroll if the average wage of the new payroll in any year exceeds one hundred
84 twenty percent of the county average wage in the county in which the project facility is located.
85 The percentage of payroll allowed under this subdivision shall be four percent of new payroll if
86 the average wage of the new payroll in any year exceeds one hundred forty percent of the county
87 average wage in the county in which the project facility is located. An additional one percent
88 of new payroll may be added to these percentages if local incentives equal between ten percent
89 and twenty-four percent of the new direct local revenue; an additional two percent of new payroll

90 is added to these percentages if the local incentives equal between twenty-five percent and
91 forty-nine percent of the new direct local revenue; or an additional three percent of payroll is
92 added to these percentages if the local incentives equal fifty percent or more of the new direct
93 local revenue. The department shall issue a refundable tax credit for any difference between the
94 amount of benefit allowed under this subdivision and the amount of withholding tax retained by
95 the company, in the event the withholding tax is not sufficient to provide the entire amount of
96 benefit due to the qualified company under this subdivision[. The calendar year annual
97 maximum amount of tax credits that may be issued to any qualified company for a project or
98 combination of projects is seven hundred fifty thousand dollars. The calendar year annual
99 maximum amount of tax credit that may be issued to any qualified company for a project or
100 combination of projects may be increased up to one million dollars if the number of new jobs
101 will exceed five hundred and if such action is proposed by the department and approved by the
102 quality jobs advisory task force established in section 620.1887; provided, however, until such
103 time as the initial at-large members of the quality jobs advisory task force are appointed, this
104 determination shall be made by the director of the department of economic development. In
105 considering such a request, the task force shall rely on economic modeling and other information
106 supplied by the department when requesting the increased limit on behalf of the project];

107 (4) Job retention projects: a qualified company may receive a tax credit for the retention
108 of jobs in this state, provided [the qualified company and the project meets all of the following
109 conditions:

110 (a)] for each of the twenty-four months preceding the year in which application for the
111 program is made the qualified company must have maintained **the lesser of one percent of the**
112 **average number of total employees in the county in which the project is located during the**
113 **previous twelve months or seven hundred fifty** [at least one thousand] full-time employees
114 at the employer's site [in the state] at which the jobs are based, **the company agrees to maintain**
115 **at least the number of full-time employees at the time of application during the period for**
116 **which benefits are received,** and the average wage of such employees must meet or exceed the
117 county average wage[;] **and the project meets one of the following conditions:**

118 [(b) The qualified company retained at the project facility the level of full-time
119 employees that existed in the taxable year immediately preceding the year in which application
120 for the program is made;

121 (c)] (a) The qualified company is considered to have a significant statewide effect on the
122 economy, and has been determined to represent a substantial risk of relocation from the state by
123 the quality jobs advisory task force established in section 620.1887; provided, however, until
124 such time as the initial at-large members of the quality jobs advisory task force are appointed,
125 this determination shall be made by the director of the department of economic development; **or**

126 [(d)] (b) The qualified company in the project facility will cause to be invested a
127 minimum of seventy million dollars in new investment prior to the end of two years or will cause
128 to be invested a minimum of thirty million dollars in new investment prior to the end of two
129 years and maintain an annual payroll of at least seventy million dollars during each of the years
130 for which a credit is claimed[;] and

131 [(e)] the local taxing entities shall provide local incentives of at least fifty percent of the
132 new direct local revenues created by the project over a ten-year period. The quality jobs advisory
133 task force may recommend to the department of economic development that appropriate
134 penalties be applied to the company for violating the agreement. The amount of the job retention
135 credit granted may be equal to up to fifty percent of the amount of withholding tax generated by
136 the full-time jobs at the project facility for a period of five years. The calendar year annual
137 maximum amount of tax credit that may be issued to any qualified company for a job retention
138 project or combination of job retention projects shall be seven hundred fifty thousand dollars per
139 year, but the maximum amount may be increased up to one million dollars if such action is
140 proposed by the department and approved by the quality jobs advisory task force established in
141 section 620.1887; provided, however, until such time as the initial at-large members of the
142 quality jobs advisory task force are appointed, this determination shall be made by the director
143 of the department of economic development. In considering such a request, the task force shall
144 rely on economic modeling and other information supplied by the department when requesting
145 the increased limit on behalf of the job retention project. In no event shall the total amount of
146 all tax credits issued for the entire job retention program under this subdivision exceed [three]
147 **thirty** million dollars annually. Notwithstanding the above, no tax credits shall be issued for job
148 retention projects approved by the department after August 30, [2013] **2015**;

149 (5) Small business job retention and flood survivor relief: a qualified company may
150 receive a tax credit under sections 620.1875 to 620.1890 for the retention of jobs and flood
151 survivor relief in this state for each job retained over a three-year period, provided that:

152 (a) The qualified company did not receive any state or federal benefits, incentives, or tax
153 relief or abatement in locating its facility in a flood plain;

154 (b) The qualified company and related companies have fewer than one hundred
155 employees at the time application for the program is made;

156 (c) The average wage of the qualified company's and related companies' employees must
157 meet or exceed the county average wage;

158 (d) All of the qualified company's and related companies' facilities are located in this
159 state;

(e) The facilities at the primary business site in this state have been directly damaged by floodwater rising above the level of a five hundred year flood at least two years, but fewer than eight years, prior to the time application is made;

(f) The qualified company made significant efforts to protect the facilities prior to any impending danger from rising floodwaters;

(g) For each year it receives tax credits under sections 620.1875 to 620.1890, the qualified company and related companies retained, at the company's facilities in this state, at least the level of full-time, year-round employees that existed in the taxable year immediately preceding the year in which application for the program is made; and

(h) In the years it receives tax credits under sections 620.1875 to 620.1890, the company cumulatively invests at least two million dollars in capital improvements in facilities and equipment located at such facilities that are not located within a five hundred year flood plain as designated by the Federal Emergency Management Agency, and amended from time to time. The amount of the small business job retention and flood survivor relief credit granted may be equal to up to one hundred percent of the amount of withholding tax generated by the full-time jobs at the project facility for a period of three years. The calendar year annual maximum amount of tax credit that may be issued to any qualified company for a small business job retention and survivor relief project shall be two hundred fifty thousand dollars per year, but the maximum amount may be increased up to five hundred thousand dollars if such action is proposed by the department and approved by the quality jobs advisory task force established in section 620.1887. In considering such a request, the task force shall rely on economic modeling and other information supplied by the department when requesting an increase in the limit on behalf of the small business job retention and flood survivor relief project. In no event shall the total amount of all tax credits issued for the entire small business job retention and flood survivor relief program under this subdivision exceed five hundred thousand dollars annually. Notwithstanding the provisions of this subdivision to the contrary, no tax credits shall be issued for small business job retention and flood survivor relief projects approved by the department after August 30, 2010.

4. The qualified company shall provide an annual report of the number of jobs and such other information as may be required by the department to document the basis for the benefits of this program. The department may withhold the approval of any benefits until it is satisfied that proper documentation has been provided, and shall reduce the benefits to reflect any reduction in full-time employees or new payroll. Upon approval by the department, the qualified company may begin the retention of the withholding taxes when it reaches the minimum number of new jobs and the average wage exceeds the county average wage. Tax credits, if any, may be issued upon satisfaction by the department that the qualified company has exceeded the county

196 average wage and the minimum number of new jobs. In such annual report, if the average wage
197 is below the county average wage, the qualified company has not maintained the employee
198 insurance as required, or if the number of new jobs is below the minimum, the qualified
199 company shall not receive tax credits or retain the withholding tax for the balance of the benefit
200 period. In the case of a qualified company that initially filed a notice of intent and received an
201 approval from the department for high impact benefits and the minimum number of new jobs in
202 an annual report is below the minimum for high impact projects, the company shall not receive
203 tax credits for the balance of the benefit period but may continue to retain the withholding taxes
204 if it otherwise meets the requirements of a small and expanding business under this program.

205 5. [The maximum calendar year annual tax credits issued for the entire program shall not
206 exceed sixty million dollars.] Notwithstanding any provision of law to the contrary, the
207 maximum annual tax credits authorized under section 135.535, RSMo, are hereby reduced from
208 ten million dollars to eight million dollars, with the balance of two million dollars transferred
209 to this program. There shall be no limit on the amount of withholding taxes that may be retained
210 by approved companies under this program.

211 6. The department shall allocate the annual tax credits based on the date of the approval,
212 reserving such tax credits based on the department's best estimate of new jobs and new payroll
213 of the project, and the other factors in the determination of benefits of this program. However,
214 the annual issuance of tax credits is subject to the annual verification of the actual new payroll.
215 The allocation of tax credits for the period assigned to a project shall expire if, within two years
216 from the date of commencement of operations, or approval if applicable, the minimum
217 thresholds have not been achieved. The qualified company may retain authorized amounts from
218 the withholding tax under this section once the minimum new jobs thresholds are met for the
219 duration of the project period. No benefits shall be provided under this program until the
220 qualified company meets the minimum new jobs thresholds. In the event the qualified company
221 does not meet the minimum new job threshold, the qualified company may submit a new notice
222 of intent or the department may provide a new approval for a new project of the qualified
223 company at the project facility or other facilities.

224 7. For a qualified company with flow-through tax treatment to its members, partners, or
225 shareholders, the tax credit shall be allowed to members, partners, or shareholders in proportion
226 to their share of ownership on the last day of the qualified company's tax period.

227 8. Tax credits may be claimed against taxes otherwise imposed by chapters 143 and 148,
228 RSMo, and may not be carried forward but shall be claimed within one year of the close of the
229 taxable year for which they were issued, except as provided under subdivision (4) of subsection
230 3 of this section.

231 9. Tax credits authorized by this section may be transferred, sold, or assigned by filing
232 a notarized endorsement thereof with the department that names the transferee, the amount of
233 tax credit transferred, and the value received for the credit, as well as any other information
234 reasonably requested by the department.

235 10. Prior to the issuance of tax credits, the department shall verify through the
236 department of revenue, or any other state department, that the tax credit applicant does not owe
237 any delinquent income, sales, or use tax or interest or penalties on such taxes, or any delinquent
238 fees or assessments levied by any state department and through the department of insurance,
239 financial institutions and professional registration that the applicant does not owe any delinquent
240 insurance taxes. Such delinquency shall not affect the authorization of the application for such
241 tax credits, except that at issuance credits shall be first applied to the delinquency and any
242 amount issued shall be reduced by the applicant's tax delinquency. If the department of revenue
243 or the department of insurance, financial institutions and professional registration, or any other
244 state department, concludes that a taxpayer is delinquent after June fifteenth but before July first
245 of any year and the application of tax credits to such delinquency causes a tax deficiency on
246 behalf of the taxpayer to arise, then the taxpayer shall be granted thirty days to satisfy the
247 deficiency in which interest, penalties, and additions to tax shall be tolled. After applying all
248 available credits toward a tax delinquency, the administering agency shall notify the appropriate
249 department and that department shall update the amount of outstanding delinquent tax owed by
250 the applicant. If any credits remain after satisfying all insurance, income, sales, and use tax
251 delinquencies, the remaining credits shall be issued to the applicant, subject to the restrictions
252 of other provisions of law.

253 11. Except as provided under subdivision (4) of subsection 3 of this section, the director
254 of revenue shall issue a refund to the qualified company to the extent that the amount of credits
255 allowed in this section exceeds the amount of the qualified company's income tax.

256 12. An employee of a qualified company will receive full credit for the amount of tax
257 withheld as provided in section 143.211, RSMo.

258 13. If any provision of sections 620.1875 to 620.1890 or application thereof to any
259 person or circumstance is held invalid, the invalidity shall not affect other provisions or
260 application of these sections which can be given effect without the invalid provisions or
261 application, and to this end, the provisions of sections 620.1875 to 620.1890 are hereby declared
262 severable.

263 **620.1892. 1. This section shall be known and may be cited as the "Small Business**
264 **and Entrepreneurial Growth Act".**

265 **2. For all taxable years beginning on or after January 1, 2010, an employer of a**
266 **small business shall be allowed to receive benefits under subsection 3 of this section if such**

267 employer expands such business by increasing the number of jobs and by meeting the
268 following qualifications:

269 (1) The employer's total payroll for the small business increases by at least twenty
270 percent due to the addition of new jobs or a business with less than five employees adds
271 employees so that the total number of employees is five or greater;

272 (2) The employer does not exceed ten new technology jobs, twenty new jobs located
273 in a rural area, and forty new jobs located in an urban area; and

274 (3) Wages for new jobs created by the employer under this section shall be equal
275 to or greater than the county average wage as defined in section 620.1878.

276 3. Benefits provided under this section shall be as follows:

277 (1) Retention of all tax withheld under sections 143.191 to 143.265, RSMo, from the
278 newly created jobs for a period of one year; or

279 (2) If the employer also provides health insurance and pays more than fifty percent
280 of the premiums for all employees, the tax withheld under sections 143.191 to 143.265,
281 RSMo, from newly created jobs may be retained for a period of two years.

282 4. No employers receiving benefits under this section shall be eligible for any
283 benefits provided under sections 620.1875 to 620.1890.

620.1893. 1. Subject to the requirements in subsections 2 to 5 of this section, the
2 governing body of a municipality may establish a business, education, science, and
3 technology district or "BEST district" in which business, education, science, and
4 technology projects, or "BEST projects", may be implemented according to a business,
5 education, science, and technology plan, or "BEST plan", by passing one or more
6 ordinances establishing such BEST district and adopting such BEST projects and plan.
7 The governing body shall not adopt a BEST project prior to adopting a BEST plan, and
8 shall not adopt a BEST plan prior to establishing a BEST district, but the BEST district
9 may be established and the BEST projects and plan may be adopted concurrently.

10 2. Each BEST plan shall set forth in writing a general description of the program,
11 and shall include, but need not be limited to:

12 (1) A description of how the program will advance one or more targeted industry
13 clusters, as defined by the department of commerce, within the BEST district, and how the
14 program will integrate business, education, science, and technology within the BEST
15 district;

16 (2) A description of the BEST district, including the existing businesses within the
17 district;

18 (3) The estimated total BEST project costs, BEST eligible project costs, and the
19 timetable for the BEST projects, including any project phasing;

- 20 (4) Land acquisition strategy;
- 21 (5) The anticipated sources, amounts, and timing of funds to pay the BEST eligible
22 project costs and other BEST project costs, including any BEST revenues as set forth in
23 subsection 8 of this section, any municipal funds as set forth in subdivision (5) of subsection
24 3 of this section, and any other sources of funds, including the percentage of all BEST
25 project costs and BEST eligible project costs represented by each source of funds;
- 26 (6) Evidence of the commitments to finance the BEST project costs;
- 27 (7) The anticipated type and term of the obligations to be issued;
- 28 (8) The general land uses to apply in the BEST district;
- 29 (9) Proof of a commitment by at least one higher education institution, including,
30 but not limited to universities, colleges, community colleges, and not-for-profit or nonprofit
31 research institutions for plant and agricultural science research, to have a significant
32 physical presence in the BEST district, and a description of the educational resources that
33 will be provided by the higher education institution in the BEST district, such as
34 classrooms, curriculum, dedicated faculty, graduate students, and defined partnerships
35 with target industry clusters;
- 36 (10) The base year of state sales tax revenues and the base year of state income tax
37 withheld on behalf of existing employees, reported by existing businesses within the BEST
38 district for the year prior to the year in which the governing body holds a public hearing
39 under subsection 4 of this section to consider establishing the BEST district;
- 40 (11) The estimate of the incremental increase in the general revenue portion of state
41 sales tax revenue and the estimate of the state income tax withheld by the employer on
42 behalf of new employees expected to fill new jobs created within the BEST district after
43 implementation of the BEST projects;
- 44 (12) An affidavit that is signed by the developer or developers attesting that the
45 BEST plan would not be reasonably anticipated to be successful without the appropriation
46 of BEST revenues, as defined in subsection 8 of this section;
- 47 (13) The North American Industry Classification System code characterizing the
48 BEST plan and projects;
- 49 (14) The total number of individuals employed in the BEST district, broken down
50 by full-time, part-time, and temporary positions;
- 51 (15) The total number of full-time equivalent positions in the BEST district;
- 52 (16) The current gross wages and state income tax withholdings for individuals
53 employed in the BEST district;

54 (17) The number of new jobs to be created by any business benefiting from public
55 expenditures in the BEST district, broken down by full-time, part-time, and temporary
56 positions;

57 (18) The average hourly wage to be paid to all current and new employees at the
58 project site, broken down by full-time, part-time, and temporary positions;

59 (19) For a BEST district located in a metropolitan statistical area, as defined by the
60 federal Office of Management and Budget, the average hourly wage paid to nonmanagerial
61 employees in this state for the industries involved in the BEST district, as established by
62 the United States Bureau of Labor Statistics;

63 (20) For a BEST district located outside of metropolitan statistical areas, the
64 average weekly wage paid to nonmanagerial employees in the county for industries
65 involved in the BEST district, as established by the United States Department of
66 Commerce;

67 (21) A list of other community and economic benefits to result from the project;

68 (22) A list of all development subsidies that any business benefiting from public
69 expenditures in the BEST district has previously received for the BEST projects, and the
70 name of any other granting body from which such subsidies are sought;

71 (23) A list of all other public investments made or to be made by this state or units
72 of local government to support infrastructure or other needs generated by the BEST
73 projects for which the funding under this section is being sought;

74 (24) A statement as to whether the BEST projects may reduce employment at any
75 other site within the state resulting from automation, merger, acquisition, corporate
76 restructuring, relocation, or other business activity;

77 (25) A statement as to whether or not the BEST projects involve the relocation of
78 work from another address and if so, the number of jobs to be relocated and the address
79 from which they are to be relocated;

80 (26) A report analyzing the resources potentially available to the BEST district in
81 support of the BEST plan; and

82 (27) A certification by the chief officer of the applicant as to the accuracy of the
83 BEST plan.

84 **3. No BEST plan shall be adopted by a municipality without findings that:**

85 (1) The BEST plan conforms to the comprehensive plan for the development of the
86 municipality as a whole;

87 (2) The estimated dates, which shall not be more than twenty-five years from the
88 adoption of the ordinance approving a BEST project within a BEST district, of completion
89 of any BEST project and retirement of obligations incurred to finance BEST project costs,

90 provided that no ordinance approving a BEST project shall be adopted later than ten years
91 from the adoption of the ordinance approving the BEST plan under which such project is
92 authorized. No BEST district shall have the power to acquire any real property by
93 eminent domain;

94 (3) A plan has been developed for relocation assistance for businesses and
95 residences;

96 (4) BEST revenues do not exceed fifty percent of the overall BEST project costs;

97 (5) Municipal funding, including funding from entities affiliated with the
98 municipality, such as economic development corporations, will provide funds for the BEST
99 project that constitute at least ten percent of the BEST eligible project costs and will be
100 available to the BEST project within ten years following establishment of the BEST
101 district;

102 (6) At least one higher education institution, including, but not limited to
103 universities, colleges, community colleges, and not-for-profit or nonprofit research
104 institutions for plant and agricultural science research, has committed to having a
105 significant physical presence in the BEST district, and plans to offer educational resources
106 in the BEST district such as classrooms, curriculum, dedicated faculty, graduate students,
107 and defined partnerships with target industry clusters; and

108 (7) If the proposed BEST district is not fully contiguous, the proposed district is
109 sufficiently geographically cohesive to ensure that the district will feel and function as a
110 fully contiguous district. Separation of real property by any roadway, whether public or
111 private, or any public right of way, shall not disrupt the contiguous nature of such real
112 property for purposes of this section. Any otherwise noncontiguous real property shall be
113 deemed contiguous with the other real property in the proposed district if the governing
114 body determines that inclusion of the noncontiguous real property would further the
115 municipality's goals in establishing the district, as set forth in the ordinance establishing
116 the district under subsection 1 of this section.

117 4. Prior to a municipality's establishment of a BEST district and adoption of a
118 BEST plan and one or more BEST projects under subsection 1 of this section, the
119 governing body shall hold a public hearing.

120 5. (1) Notice of the public hearing required by subsection 4 of this section shall be
121 given by:

122 (a) Publication. Notice by publication shall be given by publication at least twice,
123 the first publication to be not more than thirty days and the second publication to be not
124 more than ten days prior to the hearing, in a newspaper of general circulation in the area
125 of the proposed development;

- 126 (b) Mailing.
- 127 (2) The notices issued under this section shall include the following:
- 128 (a) The time and place of the public hearing;
- 129 (b) The general boundaries of the proposed BEST district or by street location,
- 130 where possible;
- 131 (c) A statement that all interested persons shall be given an opportunity to be heard
- 132 at the public hearing;
- 133 (d) A description of the proposed BEST plan or BEST project and a location and
- 134 time where the entire plan or project proposal may be reviewed by any interested party;
- 135 and
- 136 (e) Such other matters as the governing body may deem appropriate.
- 137 (3) Notice by mailing shall be given by depositing such notice in the United States
- 138 mail by certified mail addressed to the person or persons in whose name the general taxes
- 139 for the last preceding year were paid on each lot, block, tract, or parcel of land lying within
- 140 the proposed BEST district. Such notice shall be mailed not less than ten days prior to the
- 141 date set for the public hearing. In the event taxes for the last preceding year were not paid,
- 142 the notice shall also be sent to the persons last listed on the tax rolls within the preceding
- 143 three years as the owners of such property.
- 144 (4) Notice by mailing shall also be given not less than forty-five days prior to the
- 145 date set for the public hearing to all taxing districts from which taxable property is
- 146 included in the BEST district, and in addition to the other requirements under paragraph
- 147 (a) of subdivision (1) of this subsection, the notice shall include an invitation to each taxing
- 148 district to submit comments to the municipality's governing body concerning the subject
- 149 matter of the hearing prior to the date of the hearing.
- 150 6. Following a municipality's establishment of a BEST district and adoption of a
- 151 BEST plan and one or more BEST projects under subsection 1 of this section, the "BEST
- 152 revenues", as defined in subsection 8 of this section, estimated for the businesses within the
- 153 BEST district and identified by the municipality in the BEST plan adopted by the
- 154 municipality, shall be available for appropriation by the general assembly from the general
- 155 revenue fund to the department of economic development for distribution to the treasurer
- 156 or other designated financial officer of the municipality.
- 157 7. The treasurer or other designated financial officer of the municipality shall
- 158 deposit BEST revenues received from the department of economic development in a
- 159 segregated fund known as a "BEST Projects Financing Fund". The state treasurer shall
- 160 be custodian of the fund. In accordance with sections 30.170 and 30.180, RSMo, the state
- 161 treasurer may approve disbursements. Upon appropriation, money in the fund shall be

used solely for the administration of this section. Notwithstanding the provisions of section 33.080, RSMo, to the contrary, any moneys remaining in the fund at the end of the biennium shall not revert to the credit of the general revenue fund. The state treasurer shall invest moneys in the fund in the same manner as other funds are invested. Any interest and moneys earned on such investments shall be credited to the fund.

8. For purposes of this section, "BEST revenues" means:

(1) Half of the incremental increase in the general revenue portion of state sales tax revenues received under section 144.020, RSMo, excluding sales taxes that are constitutionally dedicated, taxes deposited to the school district trust fund in accordance with section 144.701, RSMo, sales and use taxes on motor vehicles, trailers, boats and outboard motors and future sales taxes earmarked by law. In no event shall the incremental increase include any amounts attributable to retail sales unless the municipality or authority has proven to the Missouri development finance board and the department of economic development and such entities have made a finding that the sales tax increment attributable to retail sales is from new sources which did not exist in the state during the baseline year. The incremental increase in the general revenue portion of state sales tax revenues for an existing or relocated facility shall be the amount that current state sales tax revenue exceeds the state sales tax revenue in the base year as stated in the BEST plan; and

(2) The state income tax withheld on behalf of new employees by the employers under section 143.221, RSMo, at the businesses located within the project as identified in the BEST plan. The state income tax withholding allowed by this section shall be the municipality's estimate of the amount of state income tax withheld by the employers within the BEST district for new employees who fill new jobs created in the BEST district.

9. No transfer under subsection 6 of this section from the general revenue fund to the department of economic development shall be made unless an appropriation is made from the general revenue fund for that purpose. No municipality shall commit any BEST revenues prior to an appropriation being made for particular BEST projects.

10. The initial appropriation of BEST revenues authorized under subsections 6 and 7 of this section shall not be made to or distributed by the department of economic development to a municipality until the director of the department of economic development or his or her designee have approved a BEST plan and projects that have been approved by a municipality under subsection 1 of this section, and that call for capture of BEST revenues for the benefit of the BEST plan and projects. The director of economic development or his or her designee shall approve a BEST plan and projects if they find that:

(1) The estimated dates, which shall not be more than twenty-five years from the adoption of the municipal ordinance approving a BEST project within a BEST district, of completion of any BEST project and retirement of obligations incurred to finance BEST project costs have been stated, provided that no ordinance approving a BEST project shall be adopted later than ten years from the adoption of the ordinance approving the BEST plan under which such project is authorized. No BEST district shall have the power to acquire any real property by eminent domain;

(2) BEST revenues do not exceed fifty percent of the total BEST project costs;

(3) Municipal funding, including funding from entities affiliated with the municipality, such as economic development corporations, will provide funds for the BEST project that constitute at least ten percent of the BEST eligible project costs and will be available to the BEST project within ten years following establishment of the BEST district;

(4) At least one higher education institution, including, but not limited to universities, colleges, community colleges, and not-for-profit or nonprofit research institutions for plant and agricultural science research, has committed to having a significant physical presence in the BEST district, and plans to offer educational resources in the BEST district such as classrooms, curriculum, dedicated faculty, graduate students, and defined partnerships with target industry clusters; and

(5) The BEST plan and projects are financially feasible and would result in a net benefit to the state.

11. BEST revenues deposited in the BEST projects financing fund established by the municipality under subsection 7 of this section shall be used to directly pay for BEST eligible project costs or to provide reimbursement for BEST eligible project costs incurred either prior to or after the BEST district is established under this section, and shall include costs related to:

(1) Formation of a BEST district, drafting a BEST plan, and designing BEST projects, including but not limited to reasonable fees of architects, engineers, attorneys, and consultants, and any other reasonably related costs;

(2) Acquisition of land within the boundaries of the BEST district, including but not limited to associated surveyor costs, title related fees, legal fees, brokers' fees, feasibility studies, and other due diligence;

(3) Extension, expansion, and construction of all infrastructure serving the BEST district, including, but not limited to, water services, storm and sanitary sewers, electrical services, roads, sidewalks, and any public amenities;

(4) Developing public buildings and parking, including site preparation and construction; and

(5) Any other costs related to attracting private investment and creating new jobs within the BEST district.

12. Following the initial appropriation of BEST revenues under subsections 6 and 7 of this section and continuing until termination of the BEST district, the municipality shall annually submit a report to the department of economic development which shall provide an update of the BEST projects' timetables, status of municipal funding and other funding sources, including, but not limited to, the number of jobs created, the annual payroll, and the public and private capital investment in the BEST district.

13. This section shall not preclude the implementation of any other type of public incentives, including tax increment financing under sections 99.800 to 99.865, RSMo, community improvement districts under sections 67.1401 to 67.1571, RSMo, and transportation development districts under sections 238.200 to 238.280, RSMo.

14. The development of any BEST project, appropriations of BEST revenues under this section for such BEST project, and the retirement of obligations incurred to finance such BEST project shall not continue more than twenty-five years after a municipality's adoption of such BEST project by ordinance under subsection 1 of this section; provided that, no ordinance approving a BEST project shall be adopted later than ten years from the adoption of the ordinance approving the BEST plan under which such project is authorized. No BEST district shall have the power to acquire any real property by eminent domain.

15. A BEST project area from which BEST revenues may be collected after such BEST project receives all necessary municipal and state approvals under this section, including an appropriation by the general assembly, may include any real property located within the BEST district, regardless of what improvements, if any, are planned for such real property as part of the BEST project, as long as the inclusion of such real property is reasonably expected to contribute to the success of the BEST plan.

16. To expand a BEST district after the district has been established under subsection 1 of this section, the governing body of the municipality shall establish the expanded BEST district under the requirements in this section for establishing a BEST district and, to receive BEST revenues associated with the expanded portion of the BEST district, the provisions in this section applicable to securing an allocation of BEST revenues for a BEST district shall apply. For purposes of subsection 14 of this section, the expanded portion of the BEST district shall be deemed to have been established at the time of the establishment of the original BEST district.

269 **17. BEST project costs may include, at the prerogative of a municipality or the**
270 **state, the portion of salaries and expenses of the municipal government, the department of**
271 **economic development, or the department of revenue reasonably allocable to each BEST**
272 **project approved for disbursements from the department of economic development for the**
273 **ongoing administrative functions associated with such BEST project. For municipalities,**
274 **such amounts shall be recovered from BEST revenues deposited in the BEST projects**
275 **financing fund. For the state, such amounts shall be recovered from BEST revenues**
276 **deposited with the department of economic development under this section.**

 Section B. Because immediate action is necessary to create job growth in Missouri, the
2 repeal and reenactment of sections 620.1039, 620.1878, and 620.1881 and the enactment of
3 sections 348.273 and 348.274 of section A of this act are deemed necessary for the immediate
4 preservation of the public health, welfare, peace, and safety, and is hereby declared to be an
5 emergency act within the meaning of the constitution, and the repeal and reenactment of sections
6 620.1039, 620.1878, and 620.1881 and the enactment of sections 348.273 and 348.274 of section
7 A of this act shall be in full force and effect upon its passage and approval.

✓